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BOOK REVIEWS.

Les impôts en Suisse, assiette, quotité, mesures d'exécution. Étude de droit public comparé et d'économie nationale. Par MAX DE CÉRENVILLE, Docteur en droit. Lausanne and Paris: Cerbas et Cie., 1899, 8vo. pp. 240, with 26 tables.

HE is a bold man who dares to follow Professor Schanz's monumental work on taxation in Switzerland with another treatise on the same subject. Yet the work before us is unquestionably a success. It is brief, yet fairly comprehensive, is well arranged for use as a book of ready reference, and is interestingly written. Students of finance will find the book of great practical value.

The author is a jurist, and studies taxation mainly from the legal point of view. His references to the economic principles involved are frequently crude, and the works on taxation to which he most frequently refers are, for the most part, antiquated. Thus the reader will be somewhat startled to find Thiers's view that "the indirect tax is the tax of countries advanced in civilization, while the direct tax is that of barbarous countries," quoted with approval, and the effort made to adduce some evidence to show that the statement is true. The author finds that in the agricultural cantons by far the larger part of the revenues are obtained from direct taxes, while in the cantons which inclose large cities, indirect taxes afford the largest proportion of the revenue. This fact, which simply illustrates the weakness of democracy where the population is composed of persons differing largely in wealth, is cited as sustaining Thiers's view. But, nevertheless, the author concludes, quite correctly, that "it is merely a matter of fiscal policy." However, as the work is written mainly from a legal point of view, and the economic discussions form but a very subordinate part, we cannot consider the failure to apply modern economic principles a serious fault.

The book is divided into three parts. The first part deals with federal taxes, the second with cantonal taxes, and the third with communal taxes. The first and third are very brief, scarcely more being attempted than to show the relation between the cantonal burdens and

the others. The author apologizes for this incompleteness by stating that it was his intention to study only the cantonal system.

The occasion for a new work on this subject is found: (1) in the vast increase in the expenditures by all parts of the government during the past decade; (2) in the fact that since the appearance of the five volumes by Schanz, in 1890, many of the cantons have revised their systems of taxation. In the augmentation of public expenses the simple Swiss have little advantage over the people of other countries. During the past ten years the expenses of the canton Vaud increased 33 per cent., of Geneva 44 per cent., of Basel City 57 per cent., and of Zurich 91 per cent.; and a large part of this increase has been met by increased taxation. In the course of the last eight years, since Schanz's book appeared, nine cantons have completely revised their revenue laws, four have made fundamental modifications, while at the present time six more are about to make extensive revisions. M. de Cérenville has done us a real service in making these changes known to us.

The position and powers of a Swiss canton in the matter of taxation are so nearly analogous to those of one of our American commonwealths that their experience is interesting for purposes of comparison. It should be remembered, however, in all such comparisons that many of the Swiss cantons are very small, and that this may so alter the conditions as to make it unsafe to draw conclusions from the comparisons. They have, of course, encountered many of the same difficulties with which we are familiar; but the Swiss have succeeded in some instances in overcoming them rather better than we have. The property tax (*l'impôt sur le capital*) is retained in some form in each of the twenty-five members of the federation. The difficulties of intercantonal double taxation have been solved by the decision of the federal tribunal which in the matter of taxation exercises wider powers than those assumed by our federal supreme court. It has been decided that immovable property is to be taxed where it is situated, movable property at the residence of the contributor. The difficulties in assessing personal property have led to innumerable exemptions and to the adoption of various devices which are so manifold as to defy classification. Our author does not furnish us with the information necessary to determine whether these devices are more effective than our own. The treatment of debts and credits, especially of mortgages, under the property tax is by no means uniform. In the matter of

mortgages there are two principal systems. In the first no deduction is allowed for the mortgage, and the entire tax is paid by the owner. There are some modifications of this, as, in Appenzell, where the debtor is allowed to deduct the proper proportion of the total tax from the interest he pays. Most of the cantons, however, follow the second system, in which the mortgage is deducted from the assessment of the owner, and assessed either as the real or the personal property of the mortgagee.

But the property tax is only a part of the main tax system of the cantons. Most of them supplement it by a more or less complete tax on incomes. The various forms of the income tax in use, the experiments tried, the exemptions granted, and the adjustments found necessary, in order to make the two parts of the system work smoothly together, form a very interesting chapter. The rates of both the property tax and the income tax are frequently progressive, and for property tax taken by itself are very moderate, rarely reaching 5°/∞. There is a brief but lively discussion of the practical results of progressive taxation. The author feels that it is not possible to exaggerate the dangerous possibilities which lurk in progressive taxation, but he admits that these dangers are rather a menace to the future than to the present. In the end he agrees with Martello (*L'imposta progressiva*) that the experience of the little Swiss cantons is scarcely likely to throw much light on the probable operation of progressive taxation in larger states.

We can only enumerate the other taxes, all of which are fully and clearly explained in the book. In six cantons there are poll taxes; in eighteen, succession taxes; in eight there are heavy taxes on the transfer of real estate; among the many indirect taxes the most important are inn-keepers' and peddlers' licenses.

At the end of the book, arranged in a series of tables, is a helpful analysis of the property tax and the income-tax laws of each canton, and of the most important municipalities. The general arrangement of the book cannot be too highly commended. Although it embraces the numerous details of a most complex system of taxation in each of twenty five cantons, and although it is without an index, yet so logical is the analysis, and so compact the presentation, that it is possible to turn at once to any subject desired. This will make it of great value as a book of reference.

CARL C. PLEHN.